

## Message Text

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PAGE 01 BRUSSE 03887 112042Z

64

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

L-03 H-02 PA-03 PRS-01 USIA-12 ABF-01 RSR-01 /157 W

----- 055861

R 111805Z JUL 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 8073

UNCLAS BRUSSELS 3887

E.O. 11652 N/A

TAGS: EFIN. BE

SUBJ: MONETARY SITUATION

1. AFTER MONDAY'S LOW POINT OF BF 34.54, DOLLAR RATE ROSE TO BF 35.70 ON TUESDAY AND BF 36.62 TODAY, JULY 11, AT OFFICIAL MARKET (TRADE-RELATED TRANSACTIONS) FIXING. FREE MARKET RATE IS HOVERING AROUND BF 36.00.

2. PRESS ASCRIBES DOLLAR RECOVERY TO UNCERTAINTY AS TO WHETHER FED WILL INTERVENE IN MARKET AS WELL AS TO RUMORS THAT EUROPEAN CENTRAL BANKS HAVE ALREADY PURCHASED DOLLARS. EARLIER IN WEEK, SOME PRESS COMMENT WAS HARSHLY CRITICAL OF U.S. FOR "ABANDONING DOLLAR" AND SUGGESTED THAT US " BEGIN NEGLECT" WILL LEAD TO HARDENING OF EUROPEAN ATTITUDES IN BOTH TRADE AND MONETARY TALKS. INFLUENTIAL FINANCIAL DAILY " ECHO DE LA BOURSE" PUTS BLAME ON US AND EUROPEAN GOVERNMENTS FOR YEARS OF DEFICIT SPENDING AND FOR ALLOWING DOLLAR OVERHANG TO DEVELOP. IN PRESENT SITUATION, ECHO SEES LITTLE LIKELIHOOD FOR SUCCESS OF MONETARY RESTRICTIONS ("IT IS USELESS TO MOP UP WATER WHILE FAUCET IS STILL RUNNING") AND SUGGESTS RATHER THAT GOVERNMENTS TIGHTEN UP THEIR FISCAL POLICIES. STRAUSSZ-HUPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Draft Date:** 11 JUL 1973  
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**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Film Number:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
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**TAGS:** EFIN, BE  
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